



AGENCY FOR INTERNATIONAL DEVELOPMENT

22 CFR Part 226

RIN 0412-AA71

Partner Vetting in USAID Assistance

AGENCY: United States Agency for International Development

ACTION: Notice of proposed rulemaking.

SUMMARY: The United States Agency for International Development (USAID) proposes to amend its regulation governing the administration of USAID-funded assistance awards to implement a Partner Vetting System (PVS). The purpose of the Partner Vetting System is to help ensure that USAID funds and other resources do not inadvertently benefit individuals or entities that are terrorists, supporters of terrorists or affiliated with terrorists, while also minimizing the impact on USAID programs and its implementing partners. In order to apply the PVS to USAID assistance, USAID proposes to amend 22 CFR Part 226. The Office of Management and Budget has approved a 30 day comment period. This proposed regulatory revision is a key requirement of the Agency's plan for the pilot program and any other vetting programs.

DATE: Submit comments on or before (insert date 30 days after publication).

ADDRESSES: Because security screening precautions have slowed the delivery and dependability of surface mail to USAID/Washington, USAID recommends sending all comments by electronic mail or by fax to the e-mail address or fax number listed directly below (please note, all comments must be in writing to be reviewed).

Electronic Access and Filing. You may submit written electronic comments by sending electronic mail [e-mail] to: M.OAA.RuleMaking@usaid.gov.

Please submit comments as a Microsoft Word file avoiding the use of any special characters and any form of encryption.

Surface Mail (again, not advisable due to security screening): Michael Gushue, M/OAA/P, USAID/Washington, 1300 Pennsylvania Avenue, NW, Washington, DC 20523

FOR FURTHER INFORMATION CONTACT: Michael Gushue, Telephone: 202-567-4678, E-mail: mgushue@usaid.gov.

SUPPLEMENTARY INFORMATION

A. Executive Summary

THE PURPOSE OF REGULATORY ACTION: The purpose of this regulatory action is to amend 22 CFR Part 226, Administration of Assistance Awards to U.S. Non-Governmental Organizations, to add new pre-award and award terms. The new terms will implement procedures for a new Partner Vetting System.

A SUMMARY OF THE PROVISIONS: There are two provisions included in this amendment to 22 CFR Part 226. The first is an application provision, Partner Vetting Pre-Award Requirements, which delineates the vetting process and the applicant's responsibilities for submitting information on individuals who will be vetted, prior to award. The second is an award term, Partner Vetting, which sets forth the recipient's responsibilities for vetting during the award period, and the partner vetting process that takes place after award.

COSTS AND BENEFITS: USAID has determined that this Rule is not an "economically significant regulatory action" under Section 3(f)(1) of Executive Order (E.O.) 12866. However, as this rule is a "significant regulatory action" under

Section 3(f)(4) of the E.O., USAID submitted it to OMB for review.

This regulatory action will help USAID meet its fiduciary responsibilities by helping to ensure that agency funds and other resources do not inadvertently benefit individuals or entities that are terrorists, supporters of terrorists, or affiliated with terrorists.

USAID estimates that Partner Vetting will add an additional 15 minutes to each of the 10,120 grant applications. We estimate the annual cost of implementing partner vetting for assistance is \$31,676 for applicants, and \$391,810 for the annual cost to the government.

B. Background

USAID is implementing a PVS pilot program for USAID assistance and acquisition awards. It is expected that this pilot program, which includes vetting of both acquisition and assistance solicitations and awards, will provide USAID (and the Department of State) with a more comprehensive understanding of ways to mitigate risk in the provision of foreign assistance as well as the feasibility and utility of implementing PVS worldwide. Because the pilot is intended to help further refine and adjust PVS, the need for any future amendments to USAID's assistance regulation,

related to implementation of PVS, likely will not be determined until after the assessment of the PVS pilot program. The intention of the PVS is to help ensure that USAID funds and other resources do not inadvertently benefit individuals or entities that are terrorists, supporters of terrorists or affiliated with terrorists, while also minimizing the impact on USAID programs and its implementing partners. USAID established the PVS as a new system of records pursuant to the Privacy Act of 1974 on July 17, 2007 (72 FR 39042). On May 6, 2009, USAID set the final effective date for exempting portions of the PVS from provisions of the Privacy Act as August 4, 2009 (74 FR 20871), although the Agency did not implement PVS at that time. USAID initiated rule-making to revise its acquisition regulation, 48 CFR Chapter 7, publishing its final rule for making PVS applicable to acquisitions on February 14, 2012 (77 FR 8166) with an effective date of March 15, 2012.

At the time USAID initiated rulemaking for acquisition, USAID determined that its assistance regulations could accommodate pre-award vetting without revisions. Subsequently, however, as USAID refined its intent for PVS and clarified its goals and purpose, the Agency concluded that in order to apply PVS to assistance to the same extent as to acquisition by allowing for post-

award vetting, the Agency needed to revise its assistance regulation, 22 CFR 226. USAID's previous rule making generated numerous comments regarding the proposed PVS program. As part of the rule making process for the Final Rule for Partner Vetting in USAID Acquisitions (77 FR 8166), published in the Federal Register on February 14, 2012, USAID provided a comprehensive response to all of the comments received during that rule making period. USAID seeks comments through this proposed rule to help ensure the successful implementation of PVS to USAID assistance by minimizing the impact on the Agency's programs and recipients while still protecting against the possibility that USAID funds could benefit terrorist groups.

Need for partner vetting. USAID set forth the rationale and need for partner vetting previously in its notice establishing PVS (72 FR 39042) and notice of proposed rulemaking for its acquisition regulation, 48 CFR Chapter 7 (74 FR 30494). As stated therein, USAID already has taken a number of steps, consistent with applicable law and agency policy, to help ensure that agency funds and other resources do not inadvertently benefit individuals or entities that are terrorists, supporters of terrorists or affiliated with terrorists. USAID recognized, however, that more can be done to ensure adequate due diligence in

certain situations, and established PVS to complement its requirements for terrorist financing clauses, terrorist financing certifications, and review of public lists of designated groups and individuals.

USAID functions in areas of high terrorist activity, and vetting enables the Agency to enhance oversight of tax payer dollars by accessing intelligence and law enforcement databases as a further safeguard of program funds.

USAID currently conducts vetting programs in certain high [threat or risk - choose one] areas of the world. These vetting programs have proven successful in preventing funds going to unintended recipients and provide a further deterrent to individuals associated with terrorism applying for contracts and/or grants from USAID. However, USAID functions in other parts of the world where the risks differ from these locations. The Agency intends to use the PVS pilot program to inform decisions about the future application of vetting to agency programs.

Through the PVS, information collected from individuals, officers, employees, or other officials of organizations that seek to receive USAID funding will be used to conduct national security screening of such individuals and organizations to ensure that USAID funds do not inadvertently benefit individuals or entities that are

terrorists, supporters of terrorists or affiliated with terrorists. To properly conduct this screening, it is necessary to collect information on "key individuals" - the principal officers and other key employees and personnel of USAID contractors and recipients. Before USAID applies vetting to a particular planned award, it will perform a risk based assessment (RBA).

Risk based assessment. USAID will perform an RBA to determine the likelihood that the funds, goods, services, or other benefits to be provided could inadvertently benefit individuals or entities that are terrorists, supporters of terrorists or affiliated with terrorists, including people or organizations who are not specifically designated by the U.S. Government but who may nevertheless be linked to terrorist activities. Key factors that USAID will consider in this assessment will include, but are not limited to, the nature of the program, the type of entity that will be implementing the activity (for example, U.S. Non-Governmental Organization (NGO), U.S. for profit organization, foreign NGO, foreign for profit organization, international organization), the geographic location of the activity, the safeguards available and how easily funds could be diverted or misused. Other considerations may include the urgency of the activity and the foreign policy

importance of the activity. The Agency may identify through the RBA process that certain services the recipient procures from vendors are subject to vetting.

Although the details of any risk-based assessment will be dictated by the specific circumstances of each activity, the conclusion that a particular planned award is subject to partner vetting will be clearly stated in any solicitation or other comparable document for that activity.

The partner vetting process for assistance. USAID intends to apply PVS to assistance in a manner that protects the integrity of the selection process and also ensures that USAID's Office of Security (SEC) is able to obtain information necessary to vet key individuals and protect sensitive information from disclosure. To accomplish this, no individual involved in the selection process, including the agreement officer (AO), will have access to the information applicants submit for partner vetting, other than to confirm the key individuals the applicants have submitted. When vetting is required, a provision in the relevant solicitation will notify applicants of the vetting requirements and procedures. The AO will instruct applicants when to submit the completed USAID Partner Information Form, USAID Form 500-13 ('Form'), to the

vetting official identified in the solicitation. Each Mission or office will have flexibility in determining the appropriate individual to be the vetting official, but in all cases the vetting official will be a U.S. citizen employee of USAID who is not involved in the selection process. In addition to receiving the completed Forms, the vetting official will be responsible for responding to questions from applicants about information to be included on the Form, coordinating with SEC, and conveying the vetting determination to each vetted applicant and the AO. The Form identifies the information required for the key individuals of the applicant and any subrecipients or vendors who are subject to vetting. Key individuals include principal officers of the organization's governing body (for example, chairman, vice chairman, treasurer and secretary of the board of directors or board of trustees), the principal officer and deputy principal officer of the organization (for example, executive director, deputy director, president, vice president), the program manager or chief of party for the USG-financed program, and any other person with significant responsibilities for administration of the USG-financed activities or resources.

The AO determines the appropriate stage of the solicitation process for applicants to submit the Form to

the vetting official as specified in the Request for Application (RFA) or Annual Program Statement (APS).

After a vetting determination has been made, the vetting official notifies the applicant or applicants that they either have passed or have not passed vetting. For applicants who have not passed, the vetting official will notify the applicant(s) of the vetting determination. USAID will determine what information may be released consistent with applicable law and Executive Orders, and with the concurrence of relevant agencies.

Concurrently, the vetting official also notifies the AO that all vetting determinations have been provided to the applicants. The vetting official indicates to the AO whether or not all applicants have passed vetting but will not provide the AO with specific vetting information.

Applicants who change any key individuals for any reason, including but not limited to failure to pass vetting or for reasons related to their applications, must submit a revised Form to the vetting official as soon as possible to allow for vetting of individuals not previously vetted. The AO makes the award decision independently from the vetting process. The AO then confirms with the vetting official that the apparently successful applicant has passed vetting and proceeds with award. Only applicants who

have passed the vetting process are eligible for award. If the AO is ready to make an award but the vetting official is unable to confirm that the apparently successful applicant has passed vetting, the AO will wait as long as is practicable for the vetting official's confirmation.

The AO will proceed with an award to the next apparently successful applicant in accordance with the evaluation criteria, provided that applicant also passes vetting.

To apply PVS to USAID assistance, USAID is amending 22 CFR Part 226, Administration of Assistance Awards to U.S. Non-Governmental Organizations.

B. Summary of the Proposed Rule

USAID is issuing a proposed rule to amend 22 CFR Part 226 by adding a new subpart 226.92 to 22 CFR Part 226, with an associated application provision and award term. The application provision, Partner Vetting Pre-Award Requirements, delineates the vetting process and the applicant's responsibilities for submitting information on individuals who will be vetted, prior to award. The award term, Partner Vetting, sets forth the recipient's responsibilities for vetting during the award period, and the partner vetting process that takes place after award.

The amendment will also add definitions to subpart 226.2.

C. Impact Assessment

Regulatory Planning and Review

Under E.O. 12866, USAID must determine whether a regulatory action is "significant" and therefore subject to the requirements of the E.O. and subject to review by the Office of Management and Budget (OMB).

USAID has determined that this Rule is not an "economically significant regulatory action" under Section 3(f)(1) of E.O. 12866. The application of the Partner Vetting System to USAID assistance will not have an economic impact of \$100 million or more. The regulation will not adversely affect the economy or any sector thereof, productivity, competition, jobs, the environment, nor public health or safety in a material way. However, as this rule is a "significant regulatory action" under Section 3(f)(4) of the E.O., USAID submitted it to OMB for review. We have also reviewed these regulations pursuant to Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866.

This regulatory action is needed for USAID to meet its fiduciary responsibilities by helping to ensure that agency funds and other resources do not inadvertently benefit individuals or entities that are terrorists, supporters of terrorists or affiliated with terrorists. NGOs will provide information on key individuals when applying for USAID grants or cooperative agreements. This information will be used to screen potential recipients and key individuals. The screening will help ensure that funds are not diverted to individuals or entities that are terrorists, supporters of terrorists or affiliated with terrorists. The final benefit to the public will be the increased assurance that Federal funds will not inadvertently provide support to entities or individuals associated with terrorism.

Although the primary benefit of vetting will be to prevent the diversion of USAID funds, implementing partners will benefit when their subrecipients have also been vetted and the prime recipient is working with legitimate organizations. In addition, as the vetting program becomes better known in the community, it will deter organizations associated with terrorism from applying for assistance funds.

We estimate that 10,120 assistance applicants currently spend 2,024,000 hours filling out paperwork for

grant applications. We estimate the additional requirements for Partner Vetting will add 15 minutes to each application. This number is calculated based on the fact that the NGOs are already providing the majority of information used for screening. The calculation takes into the account the additional pieces of information required for vetting. There are no start-up, capital, operation, maintenance, or recordkeeping costs to applicants as a result of this collection.

The collection is essentially a clerical task involving employees whose wage rates we estimate average \$12.50 dollars per hour. Therefore we estimate that the cost of implementing partner vetting is \$3.13 for each application. USAID estimates the total burden hours for the pilot program for both acquisition and assistance at 11,000 hours. Based on data from 2009, 2010 and 2011, acquisition accounts for approximately 77% of all awards and assistance accounts for approximately 23% of all awards. USAID therefore estimates the assistance portion of the total burden hours for the partner vetting pilot program at 2,530 hours. The estimate for the annual cost of implementing partner vetting for assistance is \$31,676 (15 minutes * 10,120 burden hours * \$12.50 per hour). We estimate that the government's cost to process assistance

applications for the partner vetting pilot program is \$391,810 annually. This estimate is based on labor costs for four GS-13 positions (\$147,680 annually for each position) in the USAID Office of Security (SEC), five GS-13 vetting officials (\$147,680 annually for each position), and five foreign service nationals (\$74,880 annually for each position). USAID estimates that these positions will expend approximately 23% of their total annual hours on the assistance portion of the partner vetting pilot program. One of the goals of the partner vetting pilot program is to further understand the actual costs of implementing partner vetting in various environments. While the figures above reflect USAID's best estimates of government costs to implement the pilot program for assistance, the actual figures may be different. The pilot program will be used to inform our estimates of the costs of partner vetting in various environments.

We estimate that the total cost for this proposed rule for implementing the partner vetting pilot program is \$399,716.

Regulatory Flexibility Act

Pursuant to requirements set forth in the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 et seq.), USAID has considered the economic impact of the rule on applicants

and has determined that its provisions would not have a significant economic impact on a substantial number of small entities.

The proposed regulations would add the requirement for partner vetting of key individuals for applicants of USAID-funded assistance awards into the existing partner vetting system. USAID estimates that completing an assistance application in response to a Request For Application takes 200 hours. USAID considers the additional 15 minute burden on applicants as *de minimis* and that this does not significantly increase the burden on grant applicants.

Paperwork Reduction Act

The changes to 22 CFR Part 226 use information collected via USAID Partner Information Form, USAID Form 500-13, which was approved in accordance with 44 U.S.C. 3501 by the Office of Management and Budget on July 25, 2012 (OMB Control Number 0412-0577).

If this information collection is not conducted, then USAID will be unable to use all available means to adequately screen applicants for federal funding assistance and risks inadvertently giving support to an individual or entity associated with terrorism. As for frequency, the information will be collected at the time of application for USAID assistance funds and will only be collected again

if the grant is a multi-year award, in which case it will be collected annually; if the key officials within the NGO change, in which case it will be re-collected as soon as possible after the change; or if other unique circumstances warrant.

During the initial pilot program, it is estimated that approximately, 44,000 NGOs will apply for USAID funds for programs implemented in the five PVS pilot countries and will require vetting. Each NGO will submit one vetting form per grant application and the duration of each USAID grant is typically one year. Thus, the total annual responses are also estimated to be 44,000. The projected time per response for this information collection is a total of one-quarter hour per response. The total annual hours are 11,000. These numbers were calculated based on the fact that NGOs already are providing the majority of information used for screening. The calculations take into account the additional information required. Completing a grant application in response to a Request For Application takes many hours. The additional 15 minute burden on applicants is clearly de minimis and does not significantly increase the burden on grant applicants.

List of Subjects in 22 CFR Part 226

Foreign Aid, Non-profit Organizations

Regulatory Text

For the reasons set forth in the preamble, the U. S. Agency for International Development proposes to amend 22 CFR Part 226 as follows:

1. The authority citation for 22 CFR Part 226 continues to read as follows:

Authority: 22 U.S.C. 2381(a) and 2401.

Source: 60 FR 3744, Jan. 19, 1995, unless otherwise noted.

2. Amend § 226.2 by adding the following definitions:

§ 226.2 Definitions

* * * * *

Key individual means the principal officer of the organization's governing body (for example, chairman, vice chairman, treasurer and secretary of the board of directors or board of trustees); the principal officer and deputy principal officer of the organization (for example, executive director, deputy director, president, vice president); the program manager or chief of party for the USG-financed program; and any other person with significant responsibilities for administration of the USG-financed activities or resources, such as key personnel as

identified in the solicitation or resulting cooperative agreement. Key personnel, whether or not they are employees of the prime recipient, must be vetted.

* * * * *

Key personnel means those individuals identified for approval as part of substantial involvement in a cooperative agreement whose positions are essential to the successful implementation of an award.

* * * * *

Vetting official means the USAID employee identified in the application or award as having responsibility for receiving vetting information, responding to questions about information to be included on the Partner Information Form, coordinating with the USAID Office of Security (SEC), and conveying the vetting determination to each applicant, potential subrecipients and vendors subject to vetting, and the agreement officer. The vetting official is not part of the office making the award selection and has no involvement in the selection process.

* * * * *

3. Add § 226.92 to subpart F, to read as follows:

§ 226.92 Partner Vetting.

(a) It is USAID policy that USAID may determine that a particular award is subject to vetting in the interest of national security. In that case, USAID may require vetting of the key individuals of applicants, including key personnel, whether or not they are employees of the applicant, first tier subrecipients, vendors, and any other class of subawards and procurements as identified in the assistance solicitation and resulting award. When USAID conducts partner vetting, it will not award to any applicant who does not pass vetting.

(b) When USAID determines an award to be subject to vetting, the agreement officer determines the appropriate stage of the award cycle to require applicants to submit the completed USAID Partner Information Form, USAID Form 500-13, to the vetting official identified in the assistance solicitation. The agreement officer must specify in the assistance solicitation the stage at which the applicants will be required to submit the USAID Partner Information Form, USAID Form 500-13.

(c) Selection of the successful applicant proceeds separately from vetting. The agreement officer makes the

selection determination separately from the vetting process and without knowledge of vetting-related information other than that the apparently successful applicant has passed or not passed vetting.

(d) For those awards the agency has determined are subject to vetting, the agreement officer may only award to an applicant that has passed vetting.

(e) For those awards the agency has determined are subject to vetting, the recipient must submit the completed USAID Partner Information Form any time it changes:

(1) Key individuals, and

(2) Subrecipients and vendors for which vetting is required.

(f) USAID may vet key individuals of the recipient, subrecipients and vendors periodically during program implementation using the information already submitted on the Form.

(g) When the prime recipient is subject to vetting, vetting may be required for key individuals of subawards under the prime award when prior approval in accordance with 22 CFR 226.25(c)(8) for the subaward, transfer or contracting out of any work.

(h) When the prime recipient is subject to vetting, vetting may be required for key individuals of vendors of

certain services. The agreement officer must identify these services in the assistance solicitation and any resulting award.

(i) When vetting of subawards is required, the agreement officer must not approve the subaward, transfer, or contracting out, or the procurement of certain classes of items until the organization subject to vetting has passed vetting. When vetting of vendors is required, the recipient may not procure the identified services until the vendor has passed vetting.

(j) The recipient may instruct prospective subrecipients or vendors who are subject to vetting to submit the USAID Partner Information Form to the vetting official as soon as the recipient submits the USAID Partner Information Form for its key individuals.

(k) Pre-award provision and award term.

(1) The agreement officer must insert the pre-award provision Partner Vetting Pre-Award Requirements in Appendix B of this part in all assistance solicitations USAID identifies as subject to vetting.

(2) The agreement officer must insert the award term Partner Vetting in Appendix B in all assistance solicitations and awards USAID identifies as subject to vetting.

3. Add Appendix B to Part 226, to read as follows:

Appendix B to Part 226—Partner Vetting Pre-Award
Solicitation Provision and Award Term

PARTNER VETTING PRE-AWARD REQUIREMENTS

(a) USAID has determined that any award resulting from this assistance solicitation is subject to vetting. An applicant that has not passed vetting is ineligible for award.

(b) The following are the vetting procedures for this solicitation:

(1) Prospective applicants review the attached USAID Partner Information Form, USAID Form 500-13, and submit any questions about the USAID Partner Information Form or these procedures to the agreement officer by the deadline in the solicitation.

(2) The agreement officer notifies the applicant when to submit the USAID Partner Information Form. For this solicitation, USAID will vet [insert in the provision the applicable stage of the selection process at which the Agreement Officer will notify the applicant(s) who must be vetted]. Within the timeframe set by the agreement officer

in the notification, the applicant must complete and submit the USAID Partner Information Form to the vetting official. The designated vetting official is:

Vetting official: _____

Address: _____

Email: _____ (for inquiries only).

(3) The applicants must notify proposed subrecipients and vendors of this requirement when the subrecipients or vendors are subject to vetting.

Note: Applicants who submit using non-secure methods of transmission do so at their own risk.

(c) Selection proceeds separately from vetting.

Vetting is conducted independently from any discussions the agreement officer may have with an applicant. The applicant and any proposed subrecipient or vendor subject to vetting must not provide vetting information to other than the vetting official. The applicant and any proposed subrecipient or vendor subject to vetting will communicate only with the vetting official regarding their vetting submission(s) and not with any other USAID or USG personnel, including the agreement officer or the agreement officer's representatives. The agreement officer designates the vetting official as the only individual authorized to

clarify the applicant's and proposed subrecipient's and vendor's vetting information.

(d) (1) The vetting official notifies the applicant that it:

(i) Has passed vetting,

(ii) Has not passed vetting, or

(iii) Must provide additional information, and resubmit the USAID Partner Information Form with the additional information within the number of days the vetting official specified in the notification.

(2) The vetting official will include information that the USAID determines releasable. USAID will determine what information may be released consistent with applicable law and Executive Orders, and with the concurrence of relevant agencies.

(e) Reconsideration. (1) Within 7 calendar days after the date of the vetting official's notification, an applicant that has not passed vetting may request in writing to the vetting official that the Agency reconsider the vetting determination. The request should include any written explanation, legal documentation and any other relevant written material for reconsideration.

(2) Within 7 calendar days after the vetting official receives the request for reconsideration, the Agency will determine whether the applicant's additional information merits a revised decision.

(3) The Agency's determination of whether reconsideration is warranted is final.

(f) Revisions to vetting information. (1) Applicants who change key individuals, whether the applicant has previously passed vetting or not, must submit a revised USAID Partner Information Form to the vetting official. This includes changes to key personnel resulting from revisions to the technical portion of the application.

(2) The vetting official will follow the vetting process of this provision for any revision of the applicant's Form.

(g) Award. At the time of award, the agreement officer will confirm with the vetting official that the apparently successful applicant has passed vetting. The agreement officer may award only to an apparently successful applicant that has passed vetting.

PARTNER VETTING

(a) The recipient must comply with the vetting requirements for key individuals under this award.

(b) Definitions. As used in this provision--
"key individual," "key personnel" and "vetting official"
have the meaning contained in 22 CFR 226.2.

(c) The Recipient must submit a USAID Partner
Information Form, USAID Form 500-13, to the vetting
official identified below when the Recipient replaces key
individuals with individuals who have not been previously
vetting for this award. Note: USAID will not approve any
key personnel who have not passed vetting. The designated
vetting official is:

Vetting official: _____

Address: _____

Email: _____ (for inquiries only)

(d) (1) The vetting official will notify the Recipient
that it--

(i) Has passed vetting,

(ii) Has not passed vetting, or

(iii) Must provide additional information, and
resubmit the USAID Partner Information Form with the
additional information within the number of days the
vetting official specifies.

(2) The vetting official will include information that
USAID determines releasable. USAID will determine what
information may be released consistent with applicable law

and Executive Orders, and with the concurrence of relevant agencies.

(e) The inability to pass vetting as described in the this award term may be determined to be a material failure to comply with the terms and conditions of the award and may subject the recipient to suspension or termination as specified in 22 CFR 226.61.

(f) Reconsideration. (1) Within 7 calendar days after the date of the vetting official's notification, the recipient or prospective subrecipient or vendor that has not passed vetting may request in writing to the vetting official that the Agency reconsider the vetting determination. The request should include any written explanation, legal documentation and any other relevant written material for reconsideration.

(2) Within 7 calendar days after the vetting official receives the request for reconsideration, the Agency will determine whether the recipient's additional information merits a revised decision.

(3) The Agency's determination of whether reconsideration is warranted is final.

(g) A notification that the Recipient has passed vetting does not constitute any other approval under this award.

Alternate I. When subrecipients will be subject to vetting, add the following paragraphs to the basic award term:

(h) When the prime recipient anticipates that it will require prior approval for a subaward in accordance with 22 CFR 226.25(c)(8), the subaward is subject to vetting. The prospective subrecipient must submit a USAID Partner Information Form, USAID Form 500-13, to the vetting official identified in paragraph (c) of this provision. The agreement officer must not approve a subaward to any organization that has not passed vetting when required.

(i) The recipient agrees to incorporate the substance of paragraphs (a) through (i) of this award term in all first tier subawards under this award.

Alternate II. When specific classes of services are subject to vetting, add the following paragraph:

(j) Prospective vendors at any tier providing the following classes of services

must pass vetting. Recipients must not procure these services until they receive confirmation from the vetting official that the prospective vendor has passed vetting.

(End of award term)

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Angelique M. Crumbly

Agency Regulatory Official

U.S. Agency for International Development

Billing Code

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